

# Innovative Housing Grants Program

## AFFORDABLE HOUSING FOR RURAL ALBERTA A NEW APPROACH

prepared by

Dale B. Shudra  
for

Laebon Developments Ltd.

### INTRODUCTION

The owner-builder is responsible for a large portion of new home construction in rural Alberta. This study examined a new approach to building houses in the rural areas whereby a professional builder could become involved in a significant portion of owner-builder construction by packaging his services to serve this market.

### APPROACH AND CONTENTS

The study examined motivations of the rural owner-builder such as savings in labour costs, more control of the building process and lack of availability of professionals and trades specialized in house construction. It considered some of the problems facing an owner-builder such as lack of familiarity with the latest cost-saving techniques or products, difficulties in securing trades as required or at the best prices, their lesser bargaining

power to secure contractors discounts from suppliers and the delays and extra costs which result.

The study then considered ways in which a professional builder could be of assistance to the owner-builder such as design, scheduling, quality control and warranties. It examined ways of packaging a builders' services so as to appeal to the owner-builder.

Interest in professional assistance with building, the market potential and activities which owner-builders would undertake themselves were assessed through a survey of households in central Alberta. A series of service packages were conceived and the viability of the builders' packages examined in comparison with sources more commonly used by owner-builders.

After considering survey results, viability, marketing and warranty considerations, builder service packages were re-evaluated. The

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final offerings selected were:

1. Design Assistance
2. Site and Foundation
3. Building Shell
4. Electrical
5. Plumbing
6. Mechanical
7. Exterior
8. Insulation
9. Drywall
10. Painting
11. Cabinets
12. Floors
13. Interior Finish
14. Exterior Completion
15. After Sales

Viability was then re-examined in light of the central Alberta market, builder costs, builder

prices and the prices an owner-builder would have to pay for comparable quality.

#### CONCLUSIONS

It was found that the market is large enough to enable the concept to be successful and that this approach seems to offer real value to prospective owner-builders. However, success would ultimately depend on good marketing and efficient, high quality services.

The report will be of interest to builders considering expansion in rural areas and potentially those interested in examining a way to increase involvement with owner-builders in urban areas.